

issued are already producing oil and gas, and energy companies are in the process of exploring the remaining leases to determine the energy potential of those lands. Unfortunately, when you get out there and you explore and you try to determine how much potential production is there, there are some places in the United States and anywhere in the world where there simply isn't any oil. This is the problem they have. We need to open the other 85 percent that currently we are unable to access to allow us to go after it. Again, we are talking about some 14 billion barrels that are out there.

We are presently considering a bill to impose new rules on speculating, claiming that speculators have been driving the price of oil to record highs. Even if speculators are having a negative effect on the price of fuels, I am concerned that the wrong congressional action could actually exacerbate the problem. Rhetoric on the impact of speculators simply lays the groundwork to once again implement price controls. Looking back to the 1970s, we now know that price controls lead to shortages, rationing, and long lines at gas stations. Over the last few days, the name of Boone Pickens has been invoked many times. When asked what he thought about the speculation, he recently said that:

Speculation doesn't have anything to do with it. You have 85 million barrels of oil available in the world and the demand is at 86.4. I don't think that guy over in China paying \$140 for oil is blaming Wall Street speculators for what is happening to him. Everybody tries to place the blame. And the blame is our own lack of leadership over the last 40 years on energy.

Now, I have a list of quotes I am going to actually, if there is a little bit of time—I don't have time to read them, but a list of quotes from people who are the knowledgeable people in this country such as Walter Williams, the economist for George Mason University:

Congressional attacks on speculation do not alter the oil market's fundamental demand and supply conditions. What would lower the long-term price of oil is for Congress to permit exploration for the estimated billions upon billions of barrels.

The International Energy Agency says that:

Blaming speculation is an easy solution which avoids taking the necessary steps to improve supply-side access and investment.

So I ask unanimous consent that this list of economists be listed, along with their statements concerning speculation, at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. INHOFE. Republicans have consistently tried to do something about the high prices. One of the things that people don't think about is if we had all of the production, all of the crude oil, we would still have to refine it to use it. We have a real refinery crisis in this country. Right now we are looking

at a situation where we would not be able to refine it with the refining capability we have.

I introduced 3 years ago the Gas Price Act which is something that would work very well. It actually took these closed military installations that were BRAC closed—Base Realignment and Closing Commission-closed installations—and allowed the surrounding communities to apply for EDA grants so they would be able to attract refineries. This would be a good idea because for one thing, those closed bases, you would not have to actually have a cleanup to playground standards, so the Federal Government has saved a lot of money by doing this. I don't think there is any justification in the world for people to oppose such an effort.

I have also introduced my Drive America On Natural Gas Act. This is something that is very significant, because this is something that is part of T. Boone Pickens' ideas. Let's keep in mind Boone Pickens said we need to drill everywhere. We have to drill and we have to keep on drilling, but we also need to explore all kinds of renewables. His idea is to release some of the natural gas so we can use it for compressed natural gas. The price today in my State of Oklahoma for compressed natural gas is 90 cents a gallon. Ninety cents a gallon. In some places it is as high as \$2. Nonetheless, it does show that it is out there.

There are certain obstacles to being able to do what needs to be done in allowing the conversions. One is we have to effect the regulations of the EPA and the other one is we have to give the same benefit to natural gas as we do to other renewables. If we were able to do that, it would open it up very rapidly. In fact, yesterday, the Republican leader offered a unanimous consent request that seven Republican energy amendments be considered in order for consideration in this legislation, and this was one of those.

I don't want to take up more time right now because I want to yield 5 minutes to the Senator from Georgia, but I will only say this: You can stand on the floor and say over and over and over to the American people that supply and demand doesn't work; you can say that Democrats are not opposed to increasing the supply. Yet if you go to the Web site I suggested—epw.senate.gov—we have looked at every vote that has taken place since the middle 1990s, and in every case, every time we tried to increase the supply of petroleum products for America, whether it is drilling on the Outer Continental Shelf, ANWR, Rocky Mountain oil shales, or preserving Canadian oil sands, the Democrats, to the very last one, have voted against it.

We have to increase supply. We have to keep saying it. People understand it. Even some people with basic educations know that supply and demand is alive and well in America. It is just that we have too much demand and not enough supply. We have to open it.

I yield the floor.

EXHIBIT 1

[From the Wall Street Journal, July 24, 2008]

DEMOCRATS AGAINST DRILLING

Nancy Pelosi, Harry Reid and other liberal leaders on Capitol Hill are gripped by cold-sweat terror. If they permit a vote on offshore drilling, they know they will lose when Blue Dogs and oil-patch Democrats defect to the GOP position of increasing domestic energy production. So the last failsafe is to shut down Congress.

Majority Leader Reid has decided that deliberation is too taxing for "the world's greatest deliberative body." This week he cut off serious energy amendments to his antispeculation bill. Then Senate Appropriations baron Robert Byrd abruptly canceled a bill markup planned for today where Republicans intended to press the issue. Mr. Byrd's counterpart in the House, David Obey, is enforcing a similar lockdown. Speaker Pelosi says she won't allow even a debate before Congress's August recess begins in eight days.

She and Mr. Reid are cornered by substance. The upward pressure on oil prices is caused by rising world-wide consumption and limited growth in supplies. Yet at least 65% of America's undiscovered, recoverable oil, and 40% of its natural gas, is hostage to the Congressional drilling moratorium.

The Democratic leadership is trying to smother any awareness of their responsibility for high prices. They are also trying to quash a revolt among Democrats who realize that the country is still dependent on fossil fuels, no matter how loudly quasimystical environmentalists like Al Gore claim otherwise.

EXHIBIT 2

DEMS CITE SPECULATION STATS THAT DON'T MATCH THE FACTS

Sen. Harry Reid (D-NV): "Academics, economists say that the costs of oil is 20% to 50% speculation." (Sen. Harry Reid, Remarks on the Senate Floor, 07/22/08)

"ACADEMICS AND ECONOMISTS" ACTUALLY SAY "IT'S NOT SPECULATION, IT IS SUPPLY AND DEMAND"

Warren Buffett: "It's not speculation, it is supply and demand. . . . We don't have excess capacity in the world anymore, and that's what you're seeing in oil prices." (Warren Buffett, Chairman & CEO, Berkshire Hathaway, 6/25/08)

Walter Lukken, Chairman of the Commodity Futures Trading Commission: "We haven't evidence that speculators are broadly driving these prices." ("Hitting Rock: Dems Oblivious on Oil," Union Leader, 7/13/08)

Chairman Ben Bernanke: "If financial speculation were pushing all prices above the level consistent with the fundamentals of supply and demand, we would expect inventories of crude oil and petroleum products to increase as supply rose and demand fell. But, in fact, available data on oil inventories shows notable declines over the past year." (Ben Bernanke, Chairman of the Federal Reserve, 7/15/2008)

Craig Pirrong, Member of the CFTC Energy Markets Advisory Committee: "There's no evidence of speculative influence. Speculators are not contributing to the demand for physical oil as they almost always roll positions prior to delivery." (Craig Pirrong, Professor of Finance at the University of Houston, Member, CFTC Energy Markets Advisory Committee, 6/24/08)

Walter Williams, Economist George Mason University: "Congressional attacks on speculation do not alter the oil market's fundamental demand and supply conditions. What